

## Message Text

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PAGE 01 STATE 082248

63

ORIGIN XMB-07

INFO OCT-01 ARA-11 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 /085 R

66645

DRAFTED BY: XMB: JOHN JORDAN

APPROVED BY: EB/ OCA/ REP: MWDONOVEN

C. E. HOUSTON

DON BOSTWICK

IB/ IFD/ ODF TCSCHAFER

----- 080970

R 012238 Z MAY 73

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS STATE 082248

E. O. 11652: N/ A

TAGS: ETRD, EFIN, BR

SUBJ LOAN AUTHORIZATION FOR CENTRAIS ELETRICAS DE MINAS

GERAIS S. A . ( CEMIG)

1. TO FURTHER ASSIST CEMIG IN FINANCING U. S. PROCUREMENT  
REQUIRED IN THE CONSTRUCTION OF THE SAO SIMAO HYDROELECTRIC  
PROJECT, THE BOARD OF DIRECTORS OF EXIMBANK ON APRIL 30,  
1973 AUTHORIZED A \$16.2 MILLION CREDIT TO FINANCE 45 PERCENT  
OF COSTS ESTIMATED AT \$36.0 MILLION. TERMS CALL FOR THE BORROWER  
TO MAKE A CASH PAYMENT OF 10 PERCENT OF THE COST OR  
\$3.6 MILLION. BALANCE OF 45 PERCENT OR \$16.2 MILLION WILL BE  
EXTENDED BY OTHER LENDERS AND WILL BE GUARANTEED BY EXIMBANK.  
REPAYMENT TO BE MADE SEMIANNUALLY OVER A PERIOD OF 10 YEARS,  
BEGINNING FEBRUARY 10, 1979. EXIMBANK WILL ALSO GUARANTEE  
REPAYMENT OF LOCAL COSTS EQUIVALENT TO \$5.4 MILLION OR 15  
PERCENT OF U. S. COSTS.

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PAGE 02 STATE 082248

2. REQUEST EMBASSY ADVISE CEMIG OF THIS ACTION, WHICH WILL BE DETAILED IN LETTER TO THEM WITH COPY TO EMBASSY.

3. FOR YOUR INFORMATION, EXIMBANKPREVIOUSLY OFFERED THE FOLLOWING ASSISTANCE INDIRECTLY TO CEMIG FOR THE SAME PROJECT:

(1) AN \$11.5 MILLION ALLOCATION UNDER CREDIT 3810 ESTABLISHED IN FAVOR OF ELETROBRAS BY AUTHORIZATION OF APRIL 13, 1972 (STATE 63855 OF APRIL 13, 1972 REFERS).

(2) THREE FCIA TRANSACTIONS TOTALING \$7.0 MILLION.

(3) A PRELIMINARY COMMITMENT TO FIRST CHICAGO INTERNATIONAL BANKING CORPORATION COVERING \$14.0 MILLION IN U. S. EQUIPMENT (PC 73-0-1735). AS OF THIS DATE THE PC HAS NOT BEEN COVERED TO A DIRECT CREDIT.

4. THE CREDIT OF \$36.0 MILLION AUTHORIZED APRIL 30, 1973 IS IN ADDITION TO THE FINANCIAL ASSISTANCE PREVIOUSLY EXTENDED AND NOT INTENDED TO BE A SUBSTITUTE THEREFOR.  
ROGERS

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NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GERAIS S, SUBJ LOAN AUTHORIZATION FOR CENTRAIS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** XMB: JOHN JORDAN  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
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**Original Handling Restrictions:** n/a  
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**Original Previous Handling Restrictions:** n/a  
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**Secure:** OPEN  
**Status:** <DBA CORRECTED> mcm 971117  
**Subject:** N/A  
**TAGS:** EFIN, ETRD, BR, A, (CEMIG)  
**To:** BRASILIA  
RIO DE JANEIRO  
SAO PAULO  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005